



INSURANCE ASSOCIATION OF CONNECTICUT

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STATEMENT

INSURANCE ASSOCIATION OF CONNECTICUT

Judiciary Committee

March 6, 2015

**HB 6924, AN ACT INCREASING THE AMOUNT OF DAMAGES
THAT MAY BE CLAIMED IN A SMALL CLAIMS ACTION**

I am Eric George, President of the Insurance Association of Connecticut (IAC). IAC is opposed to HB 6924, AN ACT INCREASING THE AMOUNT OF DAMAGES THAT MAY BE CLAIMED IN A SMALL CLAIMS ACTION.

HB 6924 seeks to double the maximum amount of recovery permissible in a small claims action from five thousand dollars (\$5,000) to ten thousand dollars (\$10,000). The current limit is sufficient and in line with the maximum allowed in most states and should not be changed.

Small claims courts were designed to bring about quick resolution of relatively small matters. Claims with values in the range of \$10,000 are not relatively small matters and tend to require more than simple documentation to establish their validity. Small claims courts do not have standard rules of evidence or procedure. As such the ability to properly investigate and assess the validity of a case is significantly curtailed. Furthermore, there is no right to appeal a small claims court's ruling, so defendants' rights are severely limited unless they incur costs and seek removal of the matter to the Superior Court.

Doubling the maximum recovery limit could result in small claims magistrates rendering decisions on matters that were never intended to be heard in a small claims courtroom, like significant personal injuries or questions of liability, or complicated contract disputes. Significantly increasing the jurisdictional limit and the relatively cheap filing fee for small claims could result in drastically increasing the number of questionable, even frivolous, claims that are filed. This will bog down the small claims docket while driving up legal costs delaying quick resolution for small matters.

The IAC urges your rejection of HB 6924. Thank you for the opportunity to present IAC's viewpoint.